

# Interview



## CS Ashok Kumar Jain

EVP (Finance) & Company Secretary  
Dabur India Limited

CS Ashok Kumar Jain is a rank holder Company Secretary, Chartered Accountant and LLB by profession with 38 years of rich experience in the financial and legal industry. He started his career in 1986 and later joined Dabur Group in 1989 and since then has been at the helm of financial, secretarial and legal matters of the group which has varied interests in Health Care, Personal Care, Home Care, Foods, Insurance – Life as well as General, Food Services like Restaurants business etc. He has been instrumental in putting across various initiatives to improve the financial systems, and particularly the banking services, governance & risk management processes.

He has been on the board of many companies including Universal Sompo General Insurance Company Limited, Dabon International Limited, Vertax Broadcasting Corporation Ltd.



## CS Saket Gupta

Joint Company Secretary  
Dabur India Limited

CS Saket Gupta is a qualified Company Secretary & LLB and has a wealth of experience spanning over 19 years with specialization in corporate governance, mergers and acquisitions, legal affairs. He has navigated through a diversified array of industries such as hospitality, power, real estate and FMCG. Currently, associated with Dabur India Limited, he had been previously associated with renowned organisations like Indraprastha Gas, Jubilant FoodWorks, Alstom Power and Max Group.

**Interaction with CS Ashok Kumar Jain, EVP (Finance) & Company Secretary, Dabur India Ltd.**

**India is envisioned to become Viksit Bharat by 2047. What role will Indian corporates and Company Secretary professionals be playing in achieving these milestones?**

The current government, led by the Hon'ble Prime Minister, Mr. Modi, has articulated a comprehensive vision and strategic plan for advancing Viksit Bharat, aiming to transform India into a developed nation by 2047, coinciding with the centennial of our independence. The Prime Minister envisions a collective commitment from every individual, institution, and organization to contribute towards the advancement of a developed India. The overarching objective is to align all endeavours towards the singular goal of national development.

In the contemporary landscape, Indian corporations, particularly startups, are playing a fundamental role in driving economic growth. Additionally, large corporates and Promoter run businesses, along with the unicorn startup are extending a hand to the new businesses in form of capital as well as wealth of experience. Together, they are instrumental in job creation, innovation, infrastructure investment, capital infusion, technological advancement, and fostering the growth of small enterprises. Today, the corporate sector is also actively participating in corporate social responsibility initiatives, thereby contributing to societal welfare.

Conversely, professionals such as Company Secretaries play a vital role in guiding new age technopreneurs—individuals adept at leveraging technology to enhance products and services. These technopreneurs, often visionary innovators who have achieved significant financial success, rely on professionals like Company Secretaries to navigate the complexities of business establishment and adherence to corporate governance standards and legal requirements. By ensuring that businesses operate profitably and sustainably over the long term, Company Secretaries facilitate the realization of innovative ideas in a manner that aligns with regulatory frameworks and societal interests.

**Businesses have been largely impacted by the environmental and regulatory environment. How would you perceive the altering business dynamics of the country vis-à-vis global trends?**

During the Covid era, businesses, including the manufacturing sector, faced adverse effects, resulting in decreased employment. However, since fiscal year 2021-22, the Indian manufacturing sector witnessed a

turnaround. Since then, there has been a shift towards environmental protection, manufacturing eco-friendly products, adopting biodegradable packaging, and reducing carbon emissions. The looming threat of climate change and the imperative to transition to a net-zero future present opportunities for new industries and economic growth, potentially revitalizing economies and creating new jobs.

Moreover, there is a growing emphasis on transitioning from traditional fossil fuels to renewable energy sources, with the Government of India actively pursuing this goal. This transition necessitates a significant shift in how companies approach climate protection and adaptation. Climate risks must now be integrated into core business strategies, prompting businesses to develop mitigation plans as part of their overall approach. These initiatives may lead to investments in new technologies, expansions into different sectors, or adaptations of business models.

As regards the performance of India vis-à-vis global trends, the future looks bright with India GDP growth estimated at 6.5% for FY 2024 as against China at 4.5% and US at 2.1% and other economies remaining within this growth rate of 2-3%.

**FMCG sector has been a key role player in the Indian Manufacturing Industry? How would you demarcate its growth trajectory – its major achievements and challenges? How has your Journey been like?**

The FMCG sector stands at the forefront of innovation, continually evolving to meet consumer demands and preferences. Among its many facets, the sector's commitment to innovation in healthcare, wellness, and the production of herbal and natural products devoid of harmful chemicals is particularly noteworthy.

One of the primary achievements of this sector has been the incessant innovation in healthcare products. From over-the-counter medications to personal care items infused with medicinal properties, FMCG companies have invested heavily in research and development to enhance the efficacy and safety of their healthcare offerings that address various health concerns, ranging from minor ailments to chronic conditions. Moreover, the accessibility and affordability of these healthcare innovations have made them indispensable for consumers worldwide, democratizing access to essential medical solutions.

Beyond conventional healthcare, the FMCG sector has also played a pivotal role in shifting consumer preferences towards healthier living by introducing an array of wellness-oriented goods. These include nutritional

supplements, organic foods, and fitness-related products designed to support consumers in their pursuit of holistic well-being.

An area where the FMCG sector excels is in the production of herbal and natural products that eschew synthetic chemicals. Recognizing the growing demand for eco-friendly and skin-friendly alternatives, FMCG companies invest in sourcing organic ingredients and employing sustainable manufacturing practices.

By harnessing the power of nature, these companies create products that resonate with environmentally conscious consumers while minimizing adverse effects on human health. Whether it is skincare formulations derived from botanical extracts or household cleaners free from harsh chemicals, FMCG brands today lead the way in offering natural alternatives that prioritize both efficacy and safety.

On the challenges front, the ongoing Russia-Ukraine war including continued attacks in the Red Sea and supply disruptions have resulted in spike in commodity prices from geopolitical shocks and more persistent underlying inflation in the developed world, which have tightened monetary conditions. This has impacted the expected recovery in global demand. That said, lower input prices and overall inflation can influence output growth positively, which in turn can further improve the prospects for the industries including FMCG sector.

Food inflation, which has hit FMCG industry hard in past couple of years or so, is expected to moderate further in the upcoming period. With the stable downward movement in core inflation and moderation in food prices, the outlook for food and FMCG sector seems bright.

That said, FMCG sector is full of opportunities as myself has grown from the initial position of an Accounts Officer in Dabur to the position of EVP (Finance), Company Secretary and Chief Risk Officer having expertise in the field of finance, governance, secretarial, legal and risk management.

**Digital transformation and AI are the modern-day buzz words. What has been their major impact in the overall economy in general and the manufacturing industry in particular?**

The integration of digital transformation and AI in industries, especially manufacturing, is poised to yield significant benefits, including enhanced efficiency through streamlined processes, reduced operational costs, and increased productivity. AI-driven systems are facilitating better quality control and minimizing defects and waste in manufacturing operations. Further, AI intelligence is offering a great help in identifying the consumer needs and desires and fulfilling them through making the right product available at the right time.

This shift towards digital transformation has also spurred innovation in product development, production processes, and business models, fostering economic growth and bolstering competitiveness. While automation has led to the displacement of some jobs, it has also opened up new opportunities, particularly in fields like design, data analysis, software development, and AI engineering.

However, alongside these advantages, the adoption of digital transformation and AI presents challenges such as cybersecurity risks, the need for workforce reskilling, and ethical concerns surrounding AI usage. Despite these challenges, the overall impact of digital transformation and AI on the economy and manufacturing sector has been transformative, driving efficiency, innovation, and growth. Addressing these challenges is critical to fully realize the potential benefits of this technological evolution.

**ESG is the buzzword of the 21<sup>st</sup> Century. The present-day corporate scenario cannot be fathomed without taking into account ESG considerations. In such a scenario, what initiatives are being taken – especially by the FMCG sector in making ESG an integral part of Board decision making?**

As you may be aware, India, as a party to the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement, had submitted its first Nationally Determined Contribution in the year 2015 comprising of two quantifiable targets viz. reduction of emission intensity of its GDP by 33 to 35 percent by 2030 from 2005 level and to achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. Both these targets have already been achieved in 2023, well in advance of committed deadline. Now, these targets have been enhanced i.e. to reduce emissions intensity of its GDP to 45 percent by 2030 from 2005 level, and cumulative electric power capacity from non-fossil fuel-based energy resources to 50% by 2030 (Source: PIB)

The FMCG sector, like any other entity, holds a significant responsibility towards society and the environment. The industry has taken proactive steps in addressing ESG concerns. Conversations regarding environmental protection, societal welfare, and meeting the evolving needs of communities have consistently been at the forefront of their agendas. Moreover, their commitment to upholding high standards of governance and transparency has become integral to their operations. These discussions permeate through management meetings and boardroom deliberations, underscoring the sector's dedication to sustainable practices and ethical business conduct.

It may be worthwhile to note that Dabur became the first FMCG company in India to become Plastic Waste

neutral in the year 2022-23. Many other players in this sector are taking steps in this direction and soon the FMCG sector as a whole is expected to become plastic waste neutral. Some other initiatives undertaken by Dabur include substantial increase in R&D & capex expenditure on environment and social initiatives, recycling of water, etc.

**The world is looking up towards us for guidance in Ayurveda and natural healing. What kind of opportunities and challenges do we see coming our way on that account? Your Message to the Young Professionals.**

The timeless wisdom of Ayurveda offers solutions to many modern lifestyle ailments as it is capable to heal the body naturally. India boasts a diverse array of flora and fauna, including numerous medicinal herbs vital for communities' well-being. There is a growing inclination towards health consciousness, a resurgence of interest in natural and Ayurvedic practices and a preference for alternative medicines. With a rising interest in health consciousness and natural remedies, the future holds vast potential for Ayurveda products.

However, habitat loss, overharvesting, climate change, and pollution have endangered many of these species. Conservation efforts are crucial not only to preserve traditional uses but also to safeguard ecosystem services like soil conservation and biodiversity. Sustainable management, research, and community engagement are imperative for protecting India's endangered herbs.

We, at Dabur, are rapidly increasing sustainable cultivation of key herbs and medicinal plants, besides educating tribals and villagers to ensure our societies do not extract more from nature than they give back. We have put in place measures to protect and enhance biodiversity by growing environmentally sensitive herbs and medicinal plants at our greenhouses and engaging local farmers in sustainably cultivating these herbs. This has also supplemented their income and raised their standard of living.

The only message I would like to give to the young professionals is that "cherish the nature and strive to contribute more than we consume".

**Corporate Restructuring – Mergers and Amalgamations have altered the business dynamics in their own way. How do you perceive the present environment in terms of conduciveness for such business moves? And your Message to the Young Company Secretaries and Professionals.**

In the dynamic landscape of contemporary business, achieving expansion is paramount for companies to realize their objectives. This pursuit often involves strategic maneuvers such as mergers and acquisitions, which serve as pivotal means to foster growth. These

business combinations yield multifaceted benefits, ranging from capitalizing on economies of scale to harnessing synergies across various operational facets.

In the current era characterized by intense competition, the imperative of generating value, capturing market shares, and mitigating business risks has assumed heightened significance. Through mergers and acquisitions, companies can strategically position themselves to achieve these objectives more effectively. Additionally, such strategic moves can confer competitive advantages that may be challenging to attain through organic growth alone.

Furthermore, business combinations offer avenues for diversification, enabling companies to expand their offerings and penetrate new markets. This diversification not only bolsters resilience against market fluctuations but also enhances the overall stability and sustainability of the business. In few cases, mergers is also advantageous for the small players as they are not able to grow beyond a certain level which acts as a dead end for them. Handholding by large corporates opens up avenues for achieving greater success. In essence, in the contemporary business landscape, leveraging mergers and acquisitions as a tool for expansion is not merely advantageous but often indispensable for companies striving to thrive amidst cut-throat competition and dynamic market conditions.

Young Company Secretaries should be on a look out to spread their wings beyond regular compliance and should strive to delve into the field of valuation, due-diligence, driving the merger and amalgamation process in courts / NCLT and combinations spanning across industries and borders. They may also participate in pre-merger activities such as understanding business dynamics and generating profitable combination deals.

**Interaction with CS Saket Gupta, Joint Company Secretary, Dabur India Limited.**

**The Regulatory environment is witnessing a paradigm shift from financial to non-financial reporting. How do you envision the ESG reporting landscape in India in the coming 5 years?**

While financial reporting is a key parameter for assessing business profitability, sustainability reporting, also known as non-financial reporting, focuses on disclosing the environmental, social, and governance impacts of business activities. As our country moves towards a Net Zero Commitment by 2070, prioritizing the preservation of natural resources, we need to work towards creating a healthier environment and a brighter future for all.

India is witnessing an intense regulatory push for disclosure of authentic data on ESG performance parameters by the businesses, which is evidenced

by SEBI Circular issued on July 12, 2023 which has mandated Framework for assurance and ESG Disclosure for value chain. The reasonable assurance of BRSR Core shall start with top 150 listed companies for FY 2023-24 and will cover top 1000 listed companies in India by 2026-27. Similarly, ESG disclosures for the value chain is required to be made by top 250 listed entities, on a comply-or-explain basis from FY 2024-25 followed by limited assurance of this disclosure from FY 2025 - 26.

In the post-Covid era, stakeholders are increasingly prioritizing businesses with clear strategies for addressing ESG (Environmental, Social, and Governance) issues, beyond just financial reporting and regulatory compliance. They seek assurance that businesses can tackle ESG-related risks by effectively identifying, preparing mitigation plan, implementing these plans and disclosing them, recognizing their potential long-term impact on profitability. This underscores the importance for businesses to adopt a triple bottom line approach, encompassing financial, social, and environmental performance reporting, instead of solely focusing on financial metrics. Consequently, organizations are embracing global ESG reporting standards like Dow Jones Sustainability Index and Carbon Disclosure Project to communicate their ESG performance effectively.

With the data assurance being at the core, the day may not be far when the regulators would prescribe audit of non-financial data in a similar manner that as financial data.

### **A member of the professional fraternity and being part of such a renowned MNC, how has your journey been like?**

It has been an exciting journey of more than 17 years as Company Secretary wherein working with different Industries alongside professionals from diverse backgrounds has not only broadened my perspective but also enriched my skill set significantly.

Dabur India Limited has a legacy of 140 years and values innovation, collaboration, and excellence. Being part of a such a renowned organisation as Joint Company Secretary for the past two years, this has been an exceptional opportunity that fills me with immense pride. Moreover, having the chance to work with mentors who possess long and extensive experience in the field of corporate governance and sustainability has been invaluable. Despite the occasional challenges, the supportive environment and opportunities for advancement have kept me motivated and driven.

### **As a Professional yourself, what role do you think professionals and especially Company Secretaries**

### **are playing and expected to play in the future in strengthening the economy of our country?**

Professionals especially Company Secretaries have a pivotal role as they are navigating through multifaceted responsibilities. While acting as guardians of corporate governance, we as a Company Secretary, must ensure that legal and regulatory frameworks are adhered to, transparency and accountability are taken care of, and ethical practices are followed. By facilitating efficient board functioning, maintaining statutory compliance, and overseeing corporate disclosures, we are instrumental for boosting investor confidence, which is essential for attracting investments and fostering economic growth.

Moreover, Company Secretaries contribute to strategic decision-making, risk management, and compliance with environmental and social responsibilities, thereby promoting sustainable business practices. Our expertise in corporate law, finance, and governance will help businesses navigate complexities, manage risks, and seize opportunities, ultimately driving the nation's economic progress.

Apart from above, the Company Secretaries are also expected to provide guidance for revival of businesses in distress through internal restructuring or through resolution plans.

### **Good Corporate Governance are necessary to adapt to ethical business practices and transparency. Your view on it specifically in terms of Large Cap Companies like Dabur India Ltd.**

Ethical conduct serves as the fundamental pillar for enduring prosperity. In the context of a sizable publicly traded enterprise such as Dabur, unwavering dedication to conducting operations with integrity, transparency, and strict adherence to legal frameworks is imperative. Upholding elevated levels of corporate governance is deemed essential to enhance the level of trust among investors and stakeholders alike.

The ethos at Dabur prioritizes stringent ethical standards, individual responsibility, and transparent communication among its employees, directors, and business partners. We firmly believe that by adhering to robust corporate governance principles, we can augment the trust cultivated over Dabur's esteemed 140-year history of operating with integrity and probity. Our unwavering commitment is to continually elevate our corporate governance standards which would help in preventing unethical practices, mitigating risks and contributing to long term sustainability and success.

Remember, meeting high governance standards is not a one-time exercise but requires a persistent effort to achieve as well as maintain them. The aim should be to create new benchmarks in governance over and above

what has been prescribed by adopting internal set of regulations.

### **How can the Fast-Moving FMCG Company with major segment as healthcare segment can help in achieving inclusive Growth and Achieving GDP Targets aiming towards Viksit Bharat@2047?**

Over the last 10 years, India's GDP has grown by 7 percent CAGR in USD terms to USD 3.7 trillion, jumping from the eighth largest to the fifth largest economy and is expected to be the third-largest economy in the world with a GDP of USD 5 trillion in the next three years. The FMCG sector is the fourth-largest sector of GDP contribution today, accounting for 2.5% of the country's GDP. It is contributing to inclusive growth of the country in several ways such as:

1. **Job Creation:** All major FMCG companies today are operating in both urban and rural areas, providing employment opportunities to a diverse range of people, including those from marginalized communities. They are investing in training and skill development programs for their workforce thereby enhancing employability and contributing to human capital development.
2. **Supply Chain Inclusion:** FMCG sector typically engages with small-scale producers, farmers, and suppliers, integrating them into their supply chains. By sourcing raw materials locally and supporting local businesses, FMCG companies are thus, key drivers for stimulating economic development in regions where they operate. It also created business avenues for small manufacturers as business partners of large corporates.

In addition to above, the FMCG industry's involvement in the healthcare segment is helping in development of the country in several ways:

1. **Affordable Healthcare Products:** Availability of over-the-counter (OTC) medicines, personal care products, and hygiene items that are affordable and accessible to a wide range of consumers, including those in low-income communities. With extensive distribution networks that penetrate both urban and rural areas, healthcare products are now readily available even in remote regions thereby improving healthcare access. Pandemic periods like COVID saw a surge in demand of healthcare and immunity building products, which helped the community a lot.
2. **Innovation and Product Development:** Today, FMCG companies are heavily investing in research and development to create innovative healthcare products that address the needs of diverse populations. For ex. Dabur, being the oldest ayurvedic company in India, is promoting Indian traditional form of medicine and offers a range of

natural alternatives to chemical-based medications, including products that enhance immunity and heart health.

As the adage goes, "Health is Wealth," the FMCG industry's focus, particularly in the healthcare sector, is poised to significantly contribute to inclusive growth. This contribution includes enhancing healthcare accessibility, raising awareness, generating employment opportunities, and aligning with the vision of Viksit Bharat@2047.

### **Your Message to the Young Members of ICSI and the Journal readers.**

As the young members of this reputed institution embark on their profession journey, my advice to them is to remember that pursuing goals is not just about personal success, but also about contributing to the development of the economy and society as a whole. In doing so, it is crucial to uphold principles of good corporate governance. Some of the key points to keep in mind are:

1. **Set Clear Goals:** Define your objectives clearly and align them with both personal aspirations and societal needs. This clarity will guide your actions and decisions towards meaningful contributions.
2. **Ethical Conduct:** Uphold ethical standards in all your dealings. Integrity is the foundation of good corporate governance and essential for long-term success. Always prioritize honesty, transparency, and fairness.
3. **Continuous Learning:** Stay updated with industry trends and best governance practices. Continuous learning not only enhances your skills but also enables you to make informed decisions.
4. **Adaptability and Resilience:** The governance landscape is constantly evolving. Embrace change and demonstrate resilience in the face of challenges. Adaptability allows you to seize opportunities and contribute effectively to economic progress.
5. **Collaboration and Networking:** Build strong professional relationships and networks. Collaboration fosters innovation and facilitates the exchange of ideas, ultimately driving economic growth. Networking also provides opportunities for mentorship and knowledge sharing.
6. **Responsibility towards Stakeholders:** Recognize the interests of all stakeholders – shareholders, Board & management, employees and the community. Balancing these interests ensures sustainable development and builds trust in your organization.

By pursuing your goals with a commitment to good corporate governance, you not only advance your career but also play a vital role in driving economic development responsibly.